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SUBJECT: PRC DEFENSE MINISTER STRESSES CHINA'S PEACEFUL RISE

Classified By: Minister Counselor for Political Affairs
Aubrey Carlson. Reasons 1.4 (b/d).

Summary

1. (SBU) In a public address in Tokyo August 30, PRC Defense Minister Cao Gangchuan countered arguments that China poses a threat to the region and underscored China's increasing defense transparency. The Minister stated that the PRC has no military allies and its defense policy will not change, "even if China grows stronger." He said defending China's sovereignty warrants investment of money and materiel. Post's contacts suggested Cao's speech contained little that was new. End Summary.

Peaceful Rise, Spending Increase Reasonable

2. (U) According to our unofficial translation of the Japanese language text of the address Post received via the MFA, Cao contended in his address that China's rise is peaceful and based on its national conditions. China's development is not a threat to anyone, but rather "is an opportunity for the region and the entire the world," he asserted. The Minister underscored that China is strengthening its military in the interest of defense and maintaining peace. The "uninformed" or those with ulterior motives promote the "China threat," but this has no basis in fact, he stressed. "There is no country with which China has a military alliance," Cao claimed, and China will advocate for the active role of the United Nations and will oppose the "wanton use of military force." Currently, China is on a peaceful development path and has "decided to implement a defensive national security policy" that will not change "even if China grows stronger." Maintaining China's defense modernization guarantees its "peaceful development path." General Cao said that China also faces "unsafe, unstable and uncertain elements," especially Taiwan authorities' separatist activities, including attempts at de jure independence, which greatly threaten peace and stability. China will invest money and materiel to defend its sovereignty and territorial integrity, he stated.

3. (U) The Minister views the development of China's military power as appropriate and reasonable. Cao said for a long period beginning in the 1970s, China's defense spending experienced negative growth. He underscored that the increased funding has been budgeted to compensate for past gaps, with much of it spent on salaries and new uniforms. Cao highlighted that as a proportion of GDP, as well as on a per capita and per soldier basis, China's military spending is actually quite low.

Transparency, Participation in the International Community

4. (U) The Chinese military is working hard to promote mutual trust and improve transparency, Cao said. To that end, the

PLA participates in joint training, observation missions and exercises. China has held defense consultations with twenty countries and taken part in more than one hundred exchange visits. China's military is making a positive contribution to "world peace and development," Cao declared. Within the framework of the United Nations, China has taken part in peacekeeping operations in 16 task areas with 7,300 troops deployed. In the area of disaster relief, the PRC has provided humanitarian assistance on 14 different occasions in 16 countries over the past five years. It is also has an active role in the fight against terrorism. As a "responsible member" of the international community pursuing defense modernization, China will make an even greater contribution to the preservation of world peace.

Reaction

15. (C) Cao's visit to Japan was the first in over nine years by a Chinese defense chief. Japanese Defense Attache Col. Yuichi Tsubaki speculated that General Cao's forceful language on China's military budget may reflect Chinese worries about Japan's relations with Taiwan. Colonel Tan Teck Guan, the Singaporean Defense Attache, opined that "there was not much new" in General Cao's speech. "These are commonly heard arguments. But it is rare that to hear them at such a high level during a visit," he said. Vietnamese Deputy Defense Attache Col. Nguyen Van Chung told Poloff that General Cao's remarks echoed those he made in private to visiting Vietnamese Minister of Defense General Phung Quang Thanh in a meeting August 28. "The United States pressures China about the military budget, so China feels it must make a public speech," he said. Vietnamese Political Counselor (and long-time China watcher) Danh Minh Khoi, noting the

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prominent placement in Chinese media of Cao's robust defense of China's military modernization alongside proclamations of an "icebreaking" military exchange with Japan, speculated to Poloff that the speech might be playing to a nationalist Chinese domestic audience skeptical of closer Sino-Japanese military ties.

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